

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> General Services	<b>(2) MEETING DATE</b> 8/28/2012	<b>(3) CONTACT/PHONE</b> Katie Perez, General Services, Deputy Director (805)781-5200	
<b>(4) SUBJECT</b> Request to reject public bids for construction of an expanded septic system, adopt revised Contract Documents (Clerk's File) and authorize public rebidding for construction services for the septic field expansion project located at CB&I Constructors, Inc. 4388 Santa Fe Road, adjacent to the San Luis Obispo County Regional Airport. District 3.			
<b>(5) RECOMMENDED ACTION</b> General Services Agency recommends your Board: <ol style="list-style-type: none"> <li>1. Reject public bids for construction services of an expanded septic system,</li> <li>2. Adopt the revised Contract Documents (Clerk's File) and authorize public bidding for construction services for the CB&amp;I septic field expansion project, and</li> <li>3. Instruct the County Clerk to give Notice to Bidders, calling for sealed bids no later than 3:00 PM on September 27, 2012.</li> </ol>			
<b>(6) FUNDING SOURCE(S)</b> Countywide Maintenance	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> Estimated project costs: \$211,685 Estimated construction costs: \$165,000	<b>(8) ANNUAL FINANCIAL IMPACT</b> NA	<b>(9) BUDGETED?</b> Yes
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
<b>(11) EXECUTED DOCUMENTS</b> <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b> NA		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: NA <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
<b>(14) LOCATION MAP</b> Attached	<b>(15) BUSINESS IMPACT STATEMENT?</b> No	<b>(16) AGENDA ITEM HISTORY</b> <input type="checkbox"/> N/A    Dates 8/15/2006, 11/6/2007, 06/19/2012	
<b>(17) ADMINISTRATIVE OFFICE REVIEW</b> Vincent Morici			
<b>(18) SUPERVISOR DISTRICT(S)</b> District 3 -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services / Katie Perez, General Services, Deputy Director  
(805)781-5200

DATE: 8/28/2012

SUBJECT: Request to reject public bids for construction of an expanded septic system, adopt revised Contract Documents (Clerk's File) and authorize public rebidding for construction services for the septic field expansion project located at CB&I Constructors, Inc. 4388 Santa Fe Road, adjacent to the San Luis Obispo County Regional Airport. District 3.

## **RECOMMENDATION**

General Services Agency recommends your Board:

1. Reject public bids for construction services of an expanded septic system,
2. Adopt the revised Contract Documents (Clerk's File) and authorize public bidding for construction services for the CB&I septic field expansion project, and
3. Instruct the County Clerk to give Notice to Bidders, calling for sealed bids no later than 3:00 PM on September 27, 2012.

## **DISCUSSION**

### **Background**

The realignment of Santa Fe Road was included in the first phase of the Runway 11 extension project ("Project") in the December 1998 Airport Master Plan, and the Airport Master Plan Update, accepted by your Board on January 25, 2005. This Project provided a continuous traffic route from Clarion Court on the north to Buckley Road on the south, as well as providing an east-west connector to reduce 'no outlet' conditions. The existing Santa Fe Road was severed and a cul-de-sac provided on both sides of the new extended runway.

One of the landowners adjoining the Project is CB&I Constructors, Inc. (CB&I). Due to the Santa Fe Road realignment, a large part of the existing septic system of CB&I was impacted. The County entered into an agreement with CB&I to address the impact on the septic system by providing a County approved septic system. The system initially designed by a County consultant and constructed as part of the Runway extension project, does not conform to County standards.

### **Current Status**

The current leach field on CB&I's property is six times smaller than required. In an effort to reduce the need to acquire additional land to satisfy the standards, a civil engineer was retained to develop several options. By utilizing a specialized design (mound disposal system) approved by the local Regional Water Quality Control Board and County Planning and Building Department, the engineer was able to eliminate the need for additional land. This system also requires specialized materials and construction practices and because of its unique construction, it was difficult to anticipate how contractors would develop their costs.

On June 19, 2012 your Board approved the proposed project for an informal public bid. The informal public bid process was selected because the civil engineer estimated the construction bids at \$83,850. On July 12, 2012, the public bids were received by the County and were significantly higher than the consulting engineers construction cost estimate and over the monetary limit of the informal public bid process. The lowest public bid received by G.F. Garcia & Sons was \$195,300, a difference of \$111,450 over the construction estimate. The highest bid received by Butch Pope Construction was \$220,229.77, a difference of \$136,379.77 over the construction estimate.

The gap between the consulting engineer's estimate and the bids received for the project was due to under estimating the following items: 1) Material costs and quantities of the sand backfill for the leach field and new septic tank; 2) Costs for removing, disposal and hauling (as non-hazardous contaminated material) of the existing leach field; and 3) Shoring of excavations. Additionally, the engineer did not include the cost for the Contractor to obtain the necessary permits required for soils testing and reporting, and coordination of inspections through the County Planning and Building Department. In summary, the original engineer's estimate was in error. The consulting engineer prepared a revised estimate and revised construction documents at no additional cost to the County. The consulting engineer assisted County staff by incorporating value engineered items such as leaving the existing leach field in place and reusing the existing septic tank, into the revised construction documents. The revised consulting engineers cost estimate considers the previous public bids received and the value engineering items that comply with the project requirements.

General Services requests your Board reject all bids received on July 12, 2012 and adopt the revised contract documents and authorize public bidding for construction services for the CB&I septic field expansion project, calling for sealed bids no later than 3:00 PM on September 27, 2012.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The County Planning and Building Department reviewed construction documents and issued a construction permit and will provide construction inspection. County Counsel provided advice based on the bid results.

#### **FINANCIAL CONSIDERATIONS**

The project will be fully funded through the County Wide Maintenance fund.

Once it was determined that the current leach field on CB&I's property was six times smaller than required, Architectural Services created a project with an initial budget of \$50,000. This was intended to develop the programming and engineering for the project. To date, \$26,107 has been expended.

The original project cost was estimated at \$130,535. The revised project estimate is \$211,685, an increase of \$81,150. This increase is due to an error in the original estimate received from the engineer for construction as described above. Below are the detailed cost estimates for the project. Upon completion of the bid, the Board will award the contract to the successful bidder according to established procedures.

EXPENDITURES	EXPENDITURES TO DATE	06/19/12 ESTIMATED BUDGET	08/28/12 NEW ESTIMATED BUDGET	VARIANCE BETWEEN 06/19/12 EST. BUDGET AND NEW EST. BUDGET
Project Administration	\$9,111	\$19,000	\$19,000	\$0
Professional Services	\$14,425	\$14,425	\$14,425	\$0
Construction Contract	\$0	\$83,850	\$165,000	\$81,150
10% Change Order contingency	\$0	\$8,385	\$8,385	\$0
Misc. Expenses (Permit, PW Fees)	\$2,571	\$4,875	\$4,875	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$26,107</b>	<b>\$130,535</b>	<b>\$211,685</b>	<b>\$81,150</b>
FUNDING	FUNDING TO DATE	06/19/12 ESTIMATED FUNDING	08/28/12 ADJUSTED FUNDING	VARIANCE
Countywide Maintenance (General Fund)	\$50,000	\$130,535	\$211,685	\$81,150

## **RESULTS**

This construction will provide compliance with the agreement between the County and CB&I Constructors, Inc. to provide an expanded septic system on the CB&I property that meets County standards.

## **ATTACHMENTS**

1. 08-28-12 CB&I Clerk's File
2. Location Map